

OLC 70-0 632

8 September 1970

MEMORANDUM FOR: Office of Legislative Counsel
ATTENTION : Mr. George Cary
SUBJECT : Material for Joint Committee on Atomic
Energy Staff

1. Responsive to your request of last Thursday, 3 September, we are enclosing brief pieces on the subjects raised by the Joint Committee on Atomic Energy staff.

2. The political and economic impact on the participants and other countries of the West German-Soviet treaty is still under study. The attached recent analyses indicate the types of developments which are expected to stem from the pact and the wide range of concern shown both in the Communist and non-Communist world.

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4. The conclusion of scientific and technical cooperation pacts have been testimony to the desire of both Communist and Free World countries to find areas where contact can be expanded. Under them there have been numerous conferences in the past year, some exchange of information and personnel. The pacts continue to have more potential for cooperation than actual achievement. They are characterized by cautious implementation with the French considerably more active than the British, as can be noted in the attached Business Week article.

5. The article on the Soviet reactor center at Serpukhov also helps explain Moscow's need to procure large scientific computers currently embargoed by COCOM. Also included in the attached package is a

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statement concerning the equipment involved in the proposed UK computer sale to the USSR and the conditions required to protect US national security should such a sale take place.

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EDWARD L. ALLEN
Director
Economic Research

Attachments:

As stated (2 sets)

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West Germany - USSR: The two countries are following up their recent treaty signature with technical, economic, and political contacts.

West German Minister of Economics Schiller is planning a short visit to Moscow, to begin on 24 September. He will probably discuss sympathetically the projected agreement to build a truck plant for the Soviets at Kama, although the actual negotiations are principally between Daimler-Benz and the Soviets. The Soviet Minister of Automobile Industry, A.M. Tarasov, intends in the near future to lead a delegation to visit the Daimler-Benz plant near Stuttgart.

Following a scientific-technical agreement concluded at the time of the signature of the West German - Soviet treaty, Bonn's Minister of Science Leussink will visit Soviet scientific and nuclear energy facilities from 17 to 29 September. A top Soviet nuclear energy official is to return this visit.

Yuri Zhukov, an authoritative Soviet commentator, will lecture in Bonn and Munich during a ten-day trip in late September. Zhukov is a member of the Supreme Soviet and will doubtless try to use his position to facilitate wide contacts with West German parliamentarians.

Expectations of a possible commercial agreement between Bonn and Moscow are spurring other European Community countries to seek bilateral agreements with the Soviets. Belgian officials state that Benelux will send a delegation to Moscow in October "to protect its own interests." They note that the competition for bilateral agreements may create difficulties in the next few years for the development of a common Community commercial policy toward Eastern Europe. As one official points out, however, East-West trade will still be inhibited by the difficulty of finding markets for Eastern products in Western Europe.

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3. SOVIET - FREE WORLD TECHNICAL COOPERATION

Although scientific and technical cooperation between the East and West is still in its infancy, developments under the Soviet-French and the Soviet-UK agreements indicate that both partners will benefit from the exchange.

The UK signed a five-year scientific and technical cooperation agreement with the USSR in January 1968 that provides for far-reaching technical cooperation in several industrial fields, and French-Soviet scientific and technical cooperation has expanded since Kosygin's visit to Paris in December 1966. As much US technology is shared with Western Europe or incorporated into West European industry, the Soviets indirectly will also receive the benefits of this technology. Apart from the political considerations involved, both France and the UK hope these agreements with Moscow will improve their access to Soviet markets and result in benefits in trade.

France and the USSR have agreed, albeit slowly, on several specific ventures under their joint program, including Soviet adoption of the French SECAM color TV system, joint space programs, and atomic energy research. Both the French and British stand to gain from recent Soviet industrial developments, such as the construction of high-voltage transmission lines in the power industry.

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